

# OPENING

small business opportunities



federal government contracting



U.S. Small Business Administration **SBA**

# DOORS

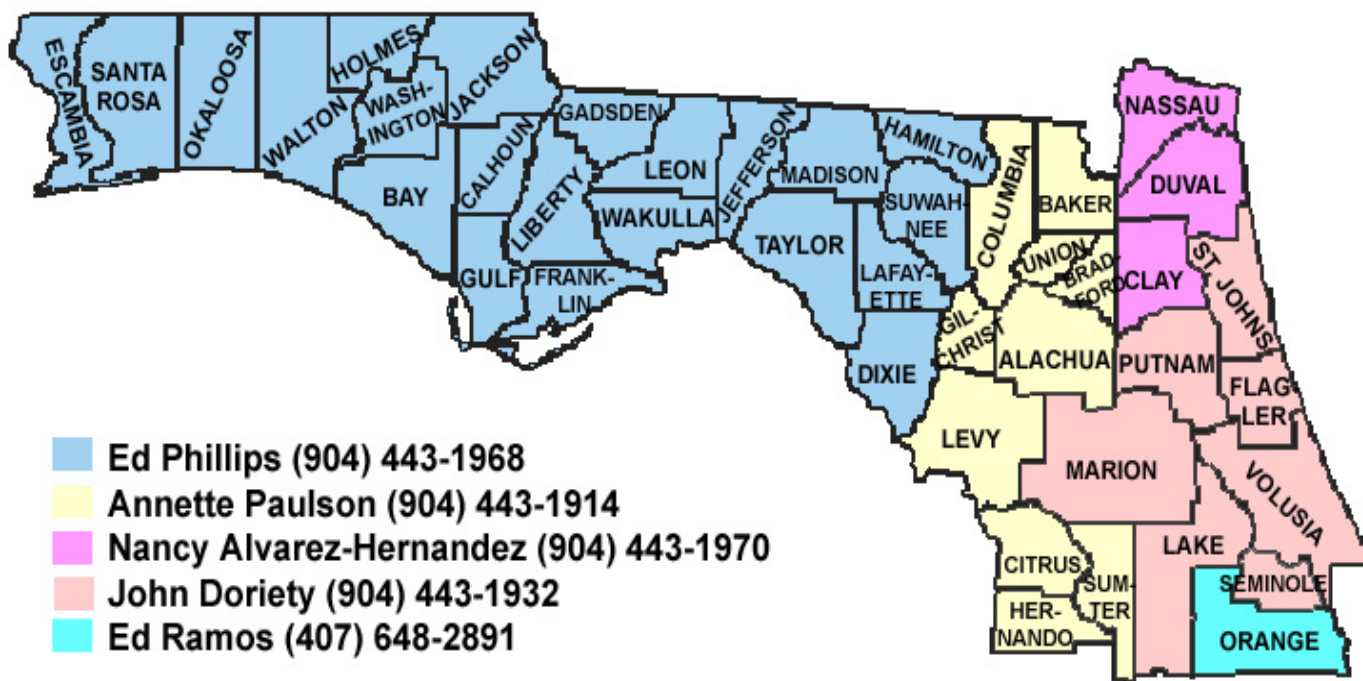
# State of the 8(a) Address

Kenneth R. Hamilton  
8(a) ADD

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# Specialist Territory Map

# 43 County North Florida District



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## Accomplishments FY07

- Workflow Processes / Procedures
- 100% Annual Review Completion
- Refocus to Business Development
- ACT (CRM) Purchase / Implementation
- All Green on Score Card

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## NFDO 8(a) Business Development

- **Territory Management**
- **Re-enforce Partnerships**
- **Grow 8(a) Procurements via Promotion/Targets**
- **Outreach in All Categories**
  - 8(a), Small Business, SDB, VOB, SDVOB, WOB, HubZone, Faith Based, Loan Retailing

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## FY07 – 8(a) Portfolio

• Total Firms	187
• Status – FANT/ Xfer's (FY07) *	- 35
• Status – FANG (FY07)**	- 3
• New	<u>+ 1</u>
• Net Firms	= 168
•	
• FANT = Firms recommended for termination on books until administrator approves.	
• ** FANG = Graduated from 8(a) program	

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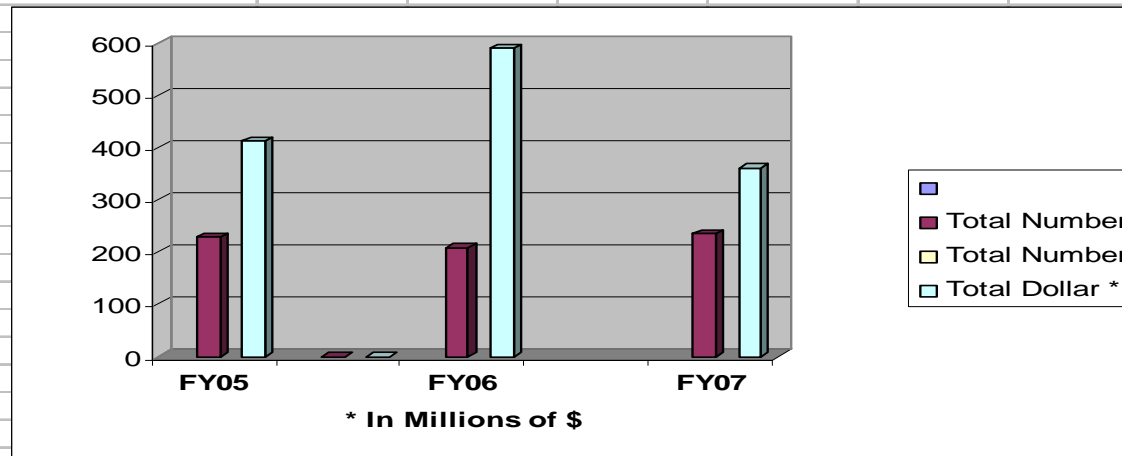
## Portfolio Performance FY07 (EOY)

- # 8(a) Firms = 168
- Requirements = 201
- Requirements = \$361 million
- # of Firms Offers = 47

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## Requirements Summary FY07 vs. Previous Years

	FY05	FY06	FY07
<b>Total Number</b>	228	208	235
<b>Total Dollar *</b>	\$412	\$589	\$361
* In millions of \$			



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# NAICS Contracts Fy07

	Data	
Product Name	Count of Record Manager	Sum of Total
11 - Agri, Forestry, Fish & Hunt	7	\$5,317,503.00
21 - Mining	1	\$2,778,473.60
23 - Consturction	114	\$80,366,109.08
31- Mfg - Food, Textiles & Leather	1	\$952,999.00
32 - Mfg - Wood, Paper, Print, Petrol, Chemical	1	\$499,965.00
33 - Mfg - Metal, Machinery, Equip, Plastic & Furn	20	\$17,194,943.37
42 - Wholesale Trade	2	\$350,050.00
49 - Trans & Warehousing - Couriers & Storage	1	\$3,500,000.00
51 - Information	4	\$38,575,589.00
53 - Real Estate & Rental & Leasing	1	\$150,000.00
54 - Prof.,Sci & Techincal Service	34	\$154,461,898.05
56 - Admin & Support & Waste Mgmt	20	\$33,027,502.55
61 - Educational Services	1	\$235,000.00
62 - Health Care & Social Asst	4	\$3,360,000.00
72 - Accom & Food Service	2	\$9,431,092.98
81 - Other Service	2	\$887,775.00
Grand Total	215	\$351,088,900.63

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# FY08 Business Performance

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## *FY08 Contracts Signed or Accepted Offers*

<b>Time Period</b>	Oct 1, 2007 to June 24, 2008	
<b>Number of Contracts</b>	126	
<b>Dollar Amount of Contracts</b>	\$223,890,544	
<b>Number of Firms w/Offers</b>	44	
<i>National Aeronautics and Space Administration</i>	<i>1</i>	<i>\$ 250,000</i>
<i>U.S. Army Corps of Engineers U.S. Defense</i>	<i>2</i>	<i>\$ 9,000,000</i>
<i>Logistics Agency</i>	<i>1</i>	<i>\$ 1,291,283</i>
<i>U.S. Department of Education</i>	<i>1</i>	<i>\$ 2,075,327</i>
<i>U.S. Department of Housing and Urban Development</i>	<i>1</i>	<i>\$ 38,000</i>
<i>U.S. Dept of Agriculture</i>	<i>6</i>	<i>\$ 1,477,979</i>
<i>U.S. Dept of Homeland Security</i>	<i>13</i>	<i>\$ 7,293,072</i>
<i>U.S. Dept of Justice</i>	<i>1</i>	<i>\$ 900,000</i>
<i>U.S. Dept of State</i>	<i>1</i>	<i>\$ 3,500,000</i>
<i>U.S. Dept of the Air Force</i>	<i>18</i>	<i>\$ 38,514,430</i>
<i>U.S. Dept of the Army</i>	<i>22</i>	<i>\$ 94,823,675</i>
<i>U.S. Dept of the Interior</i>	<i>14</i>	<i>\$ 10,085,812</i>
<i>U.S. Dept of the Navy</i>	<i>35</i>	<i>\$ 44,250,106</i>
<i>U.S. Environmental Protection Agency</i>	<i>1</i>	<i>\$ 2,265,028</i>
<i>U.S. General Service Administration</i>	<i>7</i>	<i>\$ 4,375,829</i>
<i>U.S. Marine Corps</i>	<i>2</i>	<i>\$ 3,750,000</i>
<b>Grand Total</b>		<b>\$223,890,544</b>
<a href="http://www.sba.gov">www.sba.gov</a>	<b>126</b>	

## Portfolio Performance FY08

	<u><b>Fy07</b></u>	<u><b>Fy08</b></u> (YTD)
• # 8(a) Firms	168	186
• Requirements	201	126
• Total Dollars	\$361m	\$224m
• # of Firms Offers =	47	44

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# FY08 and Beyond

## Moving Forward Roles\Partnerships

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# FY08 Business Plan

- **Territory Management**
- **Individual Territory Business Plans**
- **Grow 8(a) Portfolio +25**
- **Grow 8(a) Procurements via:**
  - **Targeted Promotion**
  - **Matchmaker Opportunities**
  - **Partnerships (Federal, State, Local Govt's + Commercial)**
- **Outreach in All Categories**
  - 8(a), Small Business, SDB, VOB, SDVOB, WOB, HubZone, Faith Based, Loan Retailing

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# What Procurement Partners Think

## Pros.

- Everyone knows the rules
- Ability to pick and choose vendors
- Shorter procurements
- More scope flexibility
- Willing to help with both small and large jobs

## Cons.

- Unrealistic expectations
- Lack of business knowledge (internal operations)
- Pricing
- Lack quality, speed, stability
- Marketing skill

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# District Office Role for 8(a) BD

- **Develop and implement marketing plans to promote the program**
- **Provide ongoing management and technical assistance**
- **Identify contract opportunities / accept requirements**
- **Conduct annual reviews**
- **Recommend terminations, graduation, or suspensions**
- **Recommend actions on changes of ownership and mentor-protégé agreements**
- **Review management and teaming agreements, joint ventures**
- **Conduct field visits**
- **Insure participants submit all required documents on a timely basis**

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## 8(a)Participants Role

- Educate / Train
- Be Pro-Active
- Honor Agreements
- Prepare Infrastructure
- Execute
- Build and Maintain Relations

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**“The educated of the 21<sup>st</sup> Century will be  
he or she who can learn, unlearn and  
relearn”**

Alvin Toffler, *Future Shock*

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# Questions?

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# Program Compliance: Avoiding the Pitfalls

John W. Doriety

Business Development Specialist

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## Annual Reviews

- Late or Non-submission of documents
- Partial Packages
- Due 30 Days After End of Program Year



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# Financial Statements

- Gross Receipts <\$1,000,000
  - 90 Days From Close of Fiscal Year
  - In-house or Prepared by Accountant
  - Signed by Officer
- Gross Receipts \$1,000,000 to \$5,000,000
  - 90 Days From Close of Fiscal Year
  - Reviewed Statements
  - Prepared by Accountant
- Gross Receipts >\$5,000,000
  - 120 Days From Close of Fiscal Year
  - Audited Statements
  - Prepared by Accountant

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# Contact Information



- Address
- Telephone Numbers
- Email address



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## Excessive Compensation or Withdrawals

- Withdrawals are excessive if during any fiscal year, they exceed:
  - (i) \$150,000 for firms with sales up to \$1,000,000;
  - (ii) \$200,000 for firms with sales between \$1,000,000 and \$2,000,000;
  - (iii) \$300,000 for firms with sales over \$2,000,000.

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# Business Activity Target (BAT)

## Transitional Stage

Year in Program	Non-8(a) Revenue %
5 <sup>th</sup>	15%
6 <sup>th</sup>	25%
7 <sup>th</sup>	35%
8 <sup>th</sup>	45%
9 <sup>th</sup>	55%

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# Highest Compensated Individual

- 13 CFR 124.106 (3) allows non-disadvantaged individuals to participate in the management of an 8(a) concern but they MAY NOT receive compensation from the applicant or Participant in any form as directors, officers or employees, including dividends, that exceeds the compensation to be received by the highest officer (usually CEO or President).



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## Failure to Devote Full-Time Management

- Must be managed on a full-time basis.
- A disadvantaged full-time manager must hold the highest officer position (usually President or Chief Executive Officer).
- Must devote full-time to the business during the normal working hours.



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## Approval of Ownership/Name Change

- Prior approval from the SBA is required for ownership change.

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## Required % of Work

- 8(a) contractor must perform certain percentages of work with its own employees.
- Contract for services (except construction), the concern will perform at least 50 percent of the cost of the contract incurred for personnel.
- General construction, the concern will perform at least 15 percent

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# 1790 Representative Report

- SBA Form 1790, Due Twice A Year

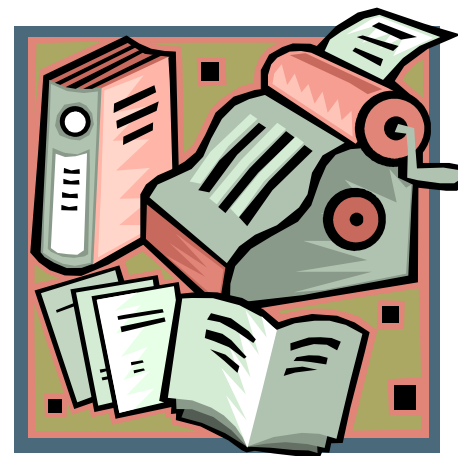


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# Update Business Plans

- Updates are Submitted at Program Year End
- Updates Maybe Requested As Need
  - Example: Change in Products or Services
- Used to Provide Assistance
- Used to Monitor Growth
- SBA Form 1010C
- Support Levels

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# Update CCR Profile



- [www.ccr.gov](http://www.ccr.gov)

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# Questions

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# Mentor Protégé Program

**Nancy Alvarez-Hernandez**

Business Development Specialist

U.S. Small Business Administration

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# History

- **Established in 1991 by P. L. 101-510 as a Pilot Program to increase small business participation in contracting.**

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## Purpose

- Encourage Approved Mentors to Provide Various Forms of Assistance to Eligible Participants
- Serve As Additional Development Tool for 8(a) Program Participants
- Enhance Capabilities of Protégé
- Improve protégé's ability to Successfully Compete for Contracts
- Assist Protégé Meet 8(a) Business Plan Goals

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# Types of Assistance

- Technical & Management
  - Guidance on Strategic Planning, Marketing
  - Coaching on Business Management, Operations
- Financial
  - Equity Investment of up to 40% (Change of Ownership, SBA approval)
  - Loans
- Subcontracting
  - Training in subcontracting and purchasing
  - Feedback on performance

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# Types of Assistance

- Joint Venture Agreement 124.520(g)
  - (JV cannot submit more the 3 offers over 2 year period)
  - Can have several approved Joint Ventures
  - Assistance/Guidance in Performing Prime Contracts
- General Business Development Assistance
  - Technology Transfer
  - Assistance in the Development, Implementation and Monitoring of the Business Plan
  - Development of a Quality Assurance Program

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# Mentor Requirements

- May be:
    - In the Transitional Stage,
    - An 8(a) graduate,
    - Another small business, or
    - A large business
  - A Mentor must demonstrate:
    - **Favorable financial health**
    - **Good character**
    - **Not** on the Federal Debarred or Suspended List
    - Ability to provide **valuable support**
- (Ref: 13 CFR 124.520(b))*

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# Protégé Requirements

- An 8(a) Program Participant in the Developmental Stage, or
- Be an 8(a) Participant That Has Never Received an 8(a) Contract or Is Less Than Half the Size Standard Corresponding to Its Primary NAICS Code, and
- Be an 8(a) Participant in Good Standing
  - Reporting Requirements
  - Financial Statement
  - 1790

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## How Many Protégés can A Mentor Have?

- Unless Approved by the Associate Administrator for 8(a) Business Development (AA/8(a)BD), A Mentor Can Have Only One Protégé at a Time.
- The AA/8(a) BD will Authorize a mentor to Have More Than One Protégé Only If It Demonstrates That the Additional Mentor-Protégé Relationship(s) Will Not Adversely Affect the Development of Either Protégé.

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# Benefits of Participating in Mentor-Protégé Program?

- Joint Venture Arrangements
  - If Mentor is Large (13 CFR 124.513(b)(3),  
*a Joint Venture Between an Approved Mentor and a Protégé Firm Will Be Deemed Small Provided the Protégé Qualifies As Small for the Size Standard Corresponding to the NAICS Assigned to the Procurement and has Not Reached the Dollar Limit.*
- Mentor Financing of the Protégé

*Special Note: No Determination of Affiliation or Control May Be Found Based on the Agreement or Any Assistance Provided Pursuant to the Arrangement.*

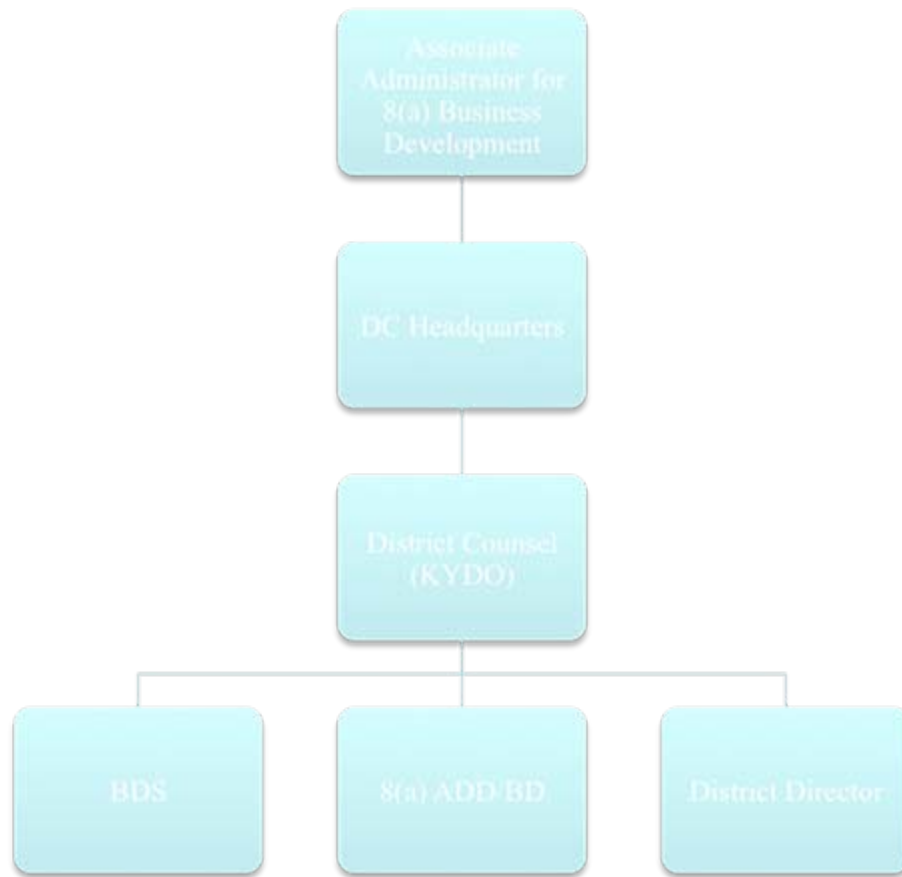
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## Agreement Requirements

- Be in writing
- Include an assessment of the Protégé's needs
- Include a description of the Specific Assistance Mentor Will Provide to Address Those Needs
- Be in effect for at least one year
- Must Include a Provision That Either Party Can Terminate Agreement with 30 Days Advance Notice to the Other Party and SBA

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# Approval Process



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# SBA Disapproval

- SBA Will Not Approve A Mentor Protégé Agreement if:
  - The Assistance to be Provided is Not Sufficient to Promote Any Real Gains to the Protégé
  - The Agreement is Just a Mechanism to Enable a Non-8(a) Participant to Receive 8(a) Contracts

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# Annual Evaluation of MPA

- District Office Will Review MP-Relationship During 8(a) Annual Review
  - Protégé Must Certify In Its Annual Business Plan Update, That MPA Has Not Been Modified Without Prior SBA Approval

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# Protégé's Reporting Requirements

- Annual Update Must Describe:
  - Federal Contracts Awarded to MP Relationship As JVs
  - A Narrative Describing Mentor's Success in Assisting Protégé
  - All Technical and/or Management Assistance Provided by Mentor
  - All Loans Received or Equity Investments Made By the Mentor;
  - All Subcontracts Awarded by the mentor, and the Value of Each Subcontract
  - Mentor's certification of good character and favorable financial position

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## Final Notes

- There are many other Mentor Protégé Programs do not confuse them with SBA MPP (no flow-down):
  - DoD Mentor Protégé Program
  - Dept of Energy Mentor Protégé Program
  - Dept of Agriculture Mentor Protégé Program
- Check Respective Website for Eligibility Criteria or Contact Agency Small Disadvantage Utilization Specialist or Small Business Liaison
- How Does SBA Promote MPP Participation?
  - 8(a) Quarterly Newsletter

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## Mentors Interested Should

- Submit The Following Information:
  - Name of Company
  - Point of Contact
  - Industry Description w/ NAICS
  - Contact Information
    - Telephone
    - Fax
    - Email/Website
- Sent Request to Lola Naylor (Mentor Listing) at [Lola.Naylor@sba.gov](mailto:Lola.Naylor@sba.gov)

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# Questions

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# SMART: It's not the Plan, it's the Process

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Cathy Hagan  
Business Analyst  
Small Business Development Center

## SMART Businesses...

- Have result-oriented goals
- Deliver ever-improving value to customers, resulting in marketplace success
- Seek continuous improvement of overall company performance capabilities

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# Performance Criteria

- Customer and market focus
- Strategic planning
- **Process management**
- Human resource development & management
- Information and analysis
- Leadership
- Business results

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# Characteristics of a Process

- Definable action
- Systematic
- Have a verb and a noun
- Represents a unit of activity with a meaningful outcome
- Results in a product, service or decision
- Represents an assignable unit of work
- Has a beginning and ending

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# Uses of Processes

- Organize and prioritize work
- Clarify roles
- Identify improvement opportunities
- Measure performance
- Orient new employees

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# Types of Processes

- Product and service processes
- Support processes
- Supplier and partnering processes

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# SMART Performance Measures

- Process indicators
- Quality indicators

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# SMART Businesses...

- Have result-oriented goals
- Deliver ever-improving value to customers, resulting in marketplace success
- Seek continuous improvement of overall company performance capabilities



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# Lunch

# Panel Discussion

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# Entrepreneurship

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Mr. William Patton  
SR. VP DEI Services Corp

# Topic for Discussion

- The Entrepreneurs Journey to Success

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# Business Development

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Mr. David Miller  
Manager, Business Development  
DEI Services Corp

# Topics for Discussion

- The Institution of Business Development
  - Business Development Management
  - Business Strategy
  - Brand Management
  - Marketing / Sales
  - Marketing Communications
  - Proposal Management
  - Capture Management
- Vision
- Mission
- Strategy
- Strategic Plan
- Business Plan
- Making it all work together

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# Contracts/Program Management Interface Finance

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Mr. Joseph Friedel  
Director, Contracts  
DEI Services Corp

# Topics for Discussion

- Contract Formation
  - - Binding Contract
  - - Contract Types
  - - Contract Interpretation
- - Federal Acquisition Regulations (FAR)
- - Federal Contract Formation Essentials
- - Contract Performance
- - Contract Performance Controls
- - Contract Change Management
- - Program Management / Contracts Interface
  - **Planning**
  - **Contract Award**
  - **Risk Management**
  - **Invoicing**
  - **Closeout Phase**

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# Finance

- Requirements
  - -Establish Line Of Credit
  - -Sufficient Cash For 90 to 120 Days
  - -Develop Revenue Forecast
  - -Establish Overhead and G&A Rates
  - -Establish Good Rapport With Government Audit Agencies
  - -Establish Good Rapport With Administrative Contract Office (ACO)
  - -Seek Help From Government Agencies
  - -Maintain All Supporting Documentation
  - -Establish Accounting Policies & Procedures
  - -Always Make Required Disclosures

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# Questions?

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